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MidAmerican Energy Company)
Application pursuant to Section 6-102)
of the Public Utilities Act)
for an order authorizing the)
issuance and sale of up to \$880,000,000)
aggregate principal amount of)
Long-Term Notes)

CHIEF CLERK'S OFFICE
Docket No. 03- 0493

APPLICATION FOR AUTHORITY TO ISSUE AND SELL LONG-TERM DEBT

MidAmerican Energy Company ("Company") submits this Application for Authority to Issue and Sell Long-Term Debt ("Application") to the Illinois Commerce Commission ("Commission") under Section 6-102(b) of the Public Utilities Act ("Act") (220 ILCS 5/1-101 et seq.). This Application relates to the proposed issuance and sale of \$880,000,000 aggregate principal amount of Medium-Term Notes or other type of financial agreement to borrow long-term funds ("Long-Term Notes") to be undertaken by the Company from time to time in the next five years in support of the Company's construction of three new electric generation facilities in the State of Iowa.

Inquiries concerning this Application and the proposed financing should be directed to the following person:

Name: Brian K. Hankel, Vice President and Treasurer
Address: MidAmerican Energy Company
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P. O. Box 657
Des Moines, Iowa 50303-0657
Phone: (515) 281-2904
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GENERAL INFORMATION

1. The Company is a public utility incorporated under the laws of the State of Iowa with its principal office located in Des Moines, Iowa, and is engaged primarily in the business of generating, transmitting and distributing electricity and distributing natural gas to the public in the Illinois counties of Rock Island, Henry, Mercer and Whiteside, and elsewhere. The Company is a public utility within the meaning of the Act.

2. The following Application Exhibits are attached hereto and by this reference made a part hereof:

- a. Application Exhibit A -- Direct Testimony of Brian K. Hankel, Vice President and Treasurer of the Company
- b. Application Exhibit B -- Consolidated Statement of Income for the Twelve Months Ended June 30, 2003
- c. Application Exhibit C -- Consolidated Balance Sheet as of June 30, 2003
- d. Application Exhibit D -- Schedule of Consolidated Capital Stock as of June 30, 2003
- e. Application Exhibit E -- Schedule of Consolidated Funded Debt as of June 30, 2003
- f. Application Exhibit F -- Notes to Consolidated Financial Statements dated June 30, 2003
- g. Application Exhibit G -- Pro Forma Capitalization Structure
- h. Application Exhibit H -- Indicative Financing Rates

3. The financial condition of the Company as of June 30, 2003 is stated in Application Exhibits B, C, D, E and F. Exhibits D and E include detailed information about the Company's outstanding securities including: (i) a description of the security, including the type, series and shares outstanding; (ii) the issue date; (iii) the maturity date; (iv) the interest or dividend rate; (v) the amount outstanding; and (vi) the amount of interest or dividend. Application Exhibit G is a pro forma capitalization structure showing the relative equity and debt components of the Company's capitalization at the end of the financing period. Application Exhibit H is a schedule showing indicative financing rates for various maturities of the Company's Long-Term Notes.

There have been no security issuances or retirements since the date of the statements contained in Application Exhibits B, C, D, E and F.

INFORMATION RELATING TO THE ISSUANCE AND SALE OF THE NOTES

4. The Company intends to issue and sell up to \$880,000,000 aggregate principal amount of Long-Term Notes in one or more transactions during the next five years to fund the construction of the electric generation projects described in this Application and to refinance certain existing debt that matures during this five-year period. The terms of the Long-Term Notes, including but not limited to the maturity, rate or method of calculation of interest and dates for payment thereof, and any redemption, prepayment or sinking fund provisions will be determined at the time of sale. The Company intends to issue Long-Term Notes depending on market conditions at the time of offering. Currently, Long-Term Notes with maturities of two,

three, five, ten, fifteen and 30 years have interest rates ranging from approximately 2.4% to 6.5% respectively; however, the actual interest rate, which may be fixed or floating, will be determined at the time of each offering or periodically during the term of the Long-Term Notes. The following table is illustrative of the interest rates for the various maturities the Long-Term Notes would likely bear if such Long-Term Notes had been recently issued:

<u>Maturity (Years)</u>	<u>Expected Interest Rate (%)</u>
2	2.37
3	2.86
5	3.97
10	5.28
15	5.72
30	6.47

It is expected that any Long-Term Notes to be issued by the Company will be issued and sold no later than five years from the issuance of a final order as set forth herein.

5. The Company may sell the Long-Term Notes in one or more underwritten public offerings from time to time during the next five years pursuant to a pricing supplement, prospectus supplement and underlying base prospectus previously filed or to be filed with the Securities and Exchange Commission ("SEC"). The Company filed a registration statement on Form S-3 (No. 333-101800) for the registration of \$600 million of certain securities, including the Long-Term Notes, with the SEC on December 12, 2002. On January 14, 2003, the Company sold \$275 million of such Medium-Term Notes of which \$100 million was issued pursuant to the authority granted by the Commission in Docket No. 01-0818 and the balance pursuant to the authority granted by the Commission in Docket No. 02-0682. The Company subsequently filed with the SEC Post-Effective Amendment No. 1 to registration statement No. 333-101800 that had the effect of combining a prior registration statement with \$100 million of unissued but registered securities with registration statement No. 333-101800. To the extent the Company needs to further amend registration statement No. 333-101800 or file another registration statement in order to accommodate the sale or sales of the Long-Term Notes, it will do so. An underwriting agreement containing terms similar to those contained in previous underwriting agreements to which the Company was a party will be executed between the Company and the underwriters selected to underwrite this financing prior to the offering or offerings of the Long-Term Notes.

6. The Company, upon application, received authority from the Federal Energy Regulatory Commission ("FERC") in Docket No. ES03-4-000 to issue up to \$700 million of long-term indebtedness, including the Long-Term Notes, during the two-year period terminating November 30, 2004. The Company will seek to extend or renew this authority from time to time as required in order to comply with the Federal Power Act and the applicable FERC rules issued thereunder.

USE OF PROCEEDS

7. The Company will use approximately \$630 million of the proceeds from the sale of the Long-Term Notes to fund the debt portion of the capital financing requirements of three new electric generation projects in various phases of development and construction. Each project is to be located in Iowa and the power generated from each will be for the benefit of all of the Company's customers, including those in the State of Illinois. The following is a description of these new electric generation projects.

a. The Greater Des Moines Energy Center ("GDMEC") is a natural gas fired combined cycle generating unit located in the Des Moines, Iowa, metropolitan area that began construction in 2001. The Company will own 100 percent of this unit and operate it. Commercial operation of the simple cycle mode began on May 5, 2003. GDMEC will be operated in a simple cycle mode during 2003 and 2004, resulting in 327 MW of accredited capacity. The combined cycle operation is expected to commence in December 2004, resulting in an expected additional 190 MW of accredited capacity. The total cost of GDMEC when complete, excluding associated transmission facilities, is expected to be approximately \$357 million, of which approximately \$284 million has been or will be incurred prior to 2004. Associated transmission facilities are expected to cost approximately \$13 million, of which approximately \$2 million has been or will be incurred prior to 2004.

b. The Council Bluffs Energy Center – Unit 4 ("CBEC-4") is proposed to be a 790 MW (based on expected accreditation) super critical temperature, coal fired plant fueled with low sulfur coal located on a site in Council Bluffs, Iowa that currently accommodates three other coal fired facilities. If constructed, the Company will operate CBEC-4 and expects to own approximately 475 MW of the plant, which is scheduled for commercial operation in 2007. Municipal, cooperative and public power utilities will own the remainder of the plant. Substantial engineering and design work has already been completed on this facility, an engineering, procurement and construction contract has been executed and all of the required major permits, including siting and environmental, have been obtained. The Company's portion of the total cost of CBEC-4 when complete, excluding associated transmission facilities, is expected to be approximately \$759 million, of which approximately \$28 million has been or will be incurred prior to 2004. Associated transmission facilities are expected to cost approximately \$98 million, of which approximately \$5 million has been or will be incurred prior to 2004.

c. The Wind Power Project is proposed to be an approximately 310 MW (nameplate rating) wind farm to be sited in north central and/or northwest Iowa. The project will be built in phases beginning in 2004 and ending no later than 2006. Site selection is underway and construction contracts are being negotiated although none have been awarded. It is anticipated that the necessary regulatory approvals will be obtained in 2003. If constructed, the Company will own 100 percent of this project and operate it. The total cost of the Wind Power Project when complete, excluding associated transmission facilities, is expected to be approximately \$323 million. An additional approximately \$10 million is anticipated for allowance for funds used during construction. Associated transmission facilities are expected to cost approximately \$20 million.

8. Capital financing requirements for these three projects are based on project costs and a 50% debt-to-total capitalization structure. The costs of these three projects from 2004 through 2007 are anticipated to be approximately \$1,259.7 million, including associated transmission facilities. A targeted 50% debt-to-total capitalization would approximate a capital financing requirement of \$629.8 million. Should any of these projects be canceled, the Company will not issue Long-Term Notes to support that project's respective cost of construction.

9. In addition to the capital financing requirements of the three new electric generation projects, the Company will need to refinance \$250.5 million of maturing debt in 2005 and 2006. This proposed refunding is summarized in the following table:

<u>Issuer¹</u>	<u>Coupon (%)</u>	<u>Principal Amount (\$)</u>	<u>Maturity/ Redemption Date</u>	<u>Security</u>	<u>Commission Docket No.</u>
MPS	7.000	90,500,000	2/15/05	Mortgage Bond	None ²
MEC	6.375	160,000,000	6/15/06	Medium Term Notes	96-0306
Total		<u>250,500,000</u>			

¹ MPS is Midwest Power Systems Inc., a predecessor of the Company

MEC is MidAmerican Energy Company

² Issued by MPS prior to the 1995 merger with Iowa-Illinois Gas and Electric Company which created the Company; at that time MPS was not an Illinois public utility and therefore not subject to the jurisdiction of the Commission

10. The following table outlines the capital financing requirements:

<u>Capital Projects¹</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Total</u>
Greater Des Moines Energy Center	\$80.4	\$2.2	\$ 0.4	-	\$83.0
Council Bluffs Energy Center – Unit 4	175.7	303.7	173.3	171.4	824.1
Wind Power Project	120.8	114.7	117.1	-	352.6
Capital Project Costs ²	<u>376.9</u>	<u>420.6</u>	<u>290.8</u>	<u>171.4</u>	<u>1,259.7</u>
Debt Financing Requirements ³	\$188.4	\$210.3	\$145.4	\$85.7	\$629.8
Refinanced Maturities ³	-	90.5	160.0	-	250.5
Total Capital Project Financing Requirements and Refinanced Maturities	<u>\$188.4</u>	<u>\$300.8</u>	<u>\$305.4</u>	<u>\$85.7</u>	<u>\$880.3</u>

¹ Capital Project Costs have not been included in any prior requests filed with the Commission.

² Capital Project Costs include estimated electric generating and associated transmission facilities costs and allowance for funds used during construction.

³ Capital Project Costs are expected to be financed with 50% debt. Existing debt that is maturing will be refinanced with 100% debt.

11. The issuance of the Long-Term Notes will be accomplished within the Federal Energy Regulatory Commission authority granted to the Company as discussed above and pursuant to an effective registration statement filed with the SEC. The Company contemplates that the Long-Term Notes will be issued from time to time during the next five years as required to fund the debt portion of the construction costs of the new generation projects and to timely refinance the maturing debt. Although the table in Paragraph 10 above sets forth the annual capital financing requirements through 2007, the Company does not expect to issue the Long-Term Notes each year in the amounts shown for each such year. Instead, the issuance of such Notes will occur at such times and in such amounts as the Company deems necessary and prudent to take advantage of conditions in the credit markets and to reflect the timing of construction expenditures and debt maturities. The Company expects that the Long-Term Notes would be issued during the next five years.

CUSTOMER AND PUBLIC INTEREST

12. The Company believes that the proposed issuances and sales of up to \$880 million of Long-Term Notes, for which authority is being requested herein, will be advantageous to the interests of the Company and its service to customers and the public will be inconvenienced thereby.

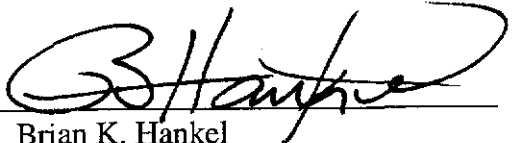
APPLICATION FEE

13. The Company will pay the required fee under Section 6-108 with respect to \$720 million of the Long-Term Notes for which no fee has been previously paid to the Commission. The Company has already paid the applicable fee for the \$160 million principal amount of 6.375% Medium Term Notes due June 15, 2006 the issuance of which was authorized by the Commission in Docket No. 96-0306. The Company will pay the required fee reflecting the percentage of the Company's utility property located in the State of Illinois no later than 30 days after service of the Commission order authorizing the Long-Term Notes. The Company calculates the fee to be \$140,558, based on a 9.761% factor that is determined by taking the Company's net utility plant allocated to Illinois, as shown in the Company's Form 21 ILCC, page 2a, column (j), line 6, as of December 31, 2002, and dividing it by the Company's total net utility plant as shown in the Company's Form 21 ILCC, page 2, column (d), line 6, as of December 31, 2002.

WHEREFORE, the Company respectfully requests, based upon the foregoing, that the Commission enter a written order in conformance with Section 6-102(b) of the Act authorizing the issuance and sale of \$880 million principal amount of Long-Term Notes from time to time, as described in this Application and Application Exhibits hereto.

Dated this 15th day of August, 2003.

MIDAMERICAN ENERGY COMPANY

By: 
Brian K. Hankel
Vice President and Treasurer

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VERIFICATION

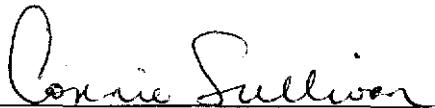
STATE OF IOWA)
) ss
COUNTY OF POLK)

I, Brian K. Hankel, being first duly sworn, depose and say that I am the Vice President and Treasurer of MidAmerican Energy Company, which has filed the foregoing Application, that I am authorized to file the same, that I have read the Application and know the contents thereof, and that the same are true to the best of my knowledge, information and belief.



Brian K. Hankel
Vice President and Treasurer
MidAmerican Energy Company

SUBSCRIBED AND SWORN TO
before me this 15th day of August, 2003.



Notary Public

